



# State of Utah


DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

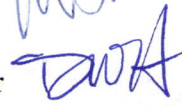
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November 17, 1997

TO: Board of Oil, Gas and Mining

THRU: Mary Ann Wright, Associate Director 

THRU: D. Wayne Hedberg, Permit Supervisor 

FROM: Anthony A. Gallegos, Senior Reclamation Specialist 

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Summo USA Corporation (Summo) and Lisbon Valley Mining Company LLC, Lisbon Valley Copper Project, M/037/088 (UTU-72499), San Juan County, Utah

The Division seeks Board approvals of the amount and form of reclamation surety provided by Summo for the Lisbon Valley Copper Project, located in San Juan County, Utah. This matter was last heard by the Board in January 1997. At that time the Board granted a conditional approval of the proposed form and amount of surety. Summo has provided the Division with the approved amount of surety; however, there have been changes to the operator name and surety company. These changes have necessitated a second board review.

Summo has provided a Surety Bond, with United States Fidelity and Guaranty Company for the amount of \$2,689,000. This amount includes escalation to year 2000 dollars. The surety bond jointly lists the Division, the U.S. Dept. Of Interior - BLM, and the School and Institutional Trust Lands Administration (SITLA). Under this bond Summo proposes to limit operations to approximately 395 acres during the first three years of mining operations. Summo will be required to post additional surety and receive approval prior to exceeding this bonded acreage, or reclaim disturbed areas. The BLM State Office and SITLA has notified the Division that this surety bond is acceptable to the BLM.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Executive Summary
3. Location Map
4. Reclamation surety estimate
5. Reclamation Contract (Form MR-RC)
6. Surety bond (Attachment B - MR Form 5)

Thank you for your time and consideration of this request.